

## Message Text

CONFIDENTIAL

PAGE 01 KINSHA 06756 220156Z

73

ACTION EB-03

INFO OCT-01 SS-14 ISO-00 AF-04 NSC-05 NSCE-00 L-01 SP-02

INR-05 CIAE-00 IO-03 OMB-01 SSO-00 INRE-00 /039 W

----- 015360

O 220130Z JUL 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC NIACT IMMEDIATE 3717

C O N F I D E N T I A L KINSHASA 6756

LIMDIS

FROM VANCE

E.O. 11652: GDS

TAGS: CG US EGEN

SUBJECT: MOBUTU-VANCE: ECON/FINANCIAL

HOLD FOR OOB JULY 22

1. DURING COURSE OF MEETING EVENING JULY 21 WITH PRESIDENT MOBUTU, HE BROUGHT UP HIS PRESSING ECONOMIC/FINANCIAL PROBLEMS AND SAID THAT HE HAD JUST RECEIVED A CALL FROM BISENGIMANA FROM PARIS, WHO HAD REPORTED ON THE LATEST DEVELOPMENTS IN TALKS ON THIS SUBJECT WITH THE FRENCH; THE LATEST FRENCH OFFER CONCERNING REPAYMENT OF DEBTS TO THE FRENCH CENTRAL BANK AND TO COMMERICAL BANKS IS:

A) NO PAYMENTS DUE EITHER UNTIL THE END OF THIS YEAR (I.E., GOF WILL ARRANGE MORATORIUM).

B) NEXT YEAR, IF COPPER PRICES DO NOT RISE ABOVE CURRENT LEVELS, ZAIRE WILL PAY 15 PERCENT OF ITS DEBTS TO FRENCH CENTRAL AND COMMERICAL BANKS. IF COPPER PRICES RISE SIGNIFICANTLY (NO LEVEL MENTIONED BY MOBUTU) -- ZAIRE WILL BE EXPECTED TO PAY 30 PERCENT OF ITS DEBTS DUE TO THE FRENCH.

C) IN ANY EVENT, ALL FRENCH DEBTS TO BE PAID OFF  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINSHA 06756 220156Z

(PROBABLY MEANS PAID UP TO CURRENT DUE DATES) BY 1977.

D) MIRAGE PAYMENTS, HOWEVER, MUST BE MADE PER ORIGINAL SCHEDULE, ON TIME AND IN FULL AMOUNTS.

2. I SAID THIS WAS GOOD NEWS, BUT WOULD NOT SOLVE ZAIRE'S CURRENT FINANCIAL PROBLEMS. I RECALLED THAT MOBUTU HAD CHARGED ME ON MY FIRST VISIT TO PRESENT HIS CASE IN WASHINGTON, AND I SAID THAT I HAD FOUND WASHINGTON FULLY AWARE OF ZAIRE'S IMPORTANCE AND POTENTIAL; EVERYONE AGREED THAT THE PROBLEM WAS SHORT-TERM. THERE WERE, I INSISTED, SOME VERY REALISTIC OPINIONS BACK HOME WHICH POINTED OUT THE NEED FOR REFORM, AND AT THE HIGHEST LEVELS I HAD FOUND A SINCERE DESIRE TO FIND WAYS TO GET OVER THE SHORT TERM CRISIS AND ASSURE ZAIRE'S LONG-TERM DEVELOPMENT.

3. I THEN SAID THAT OUR EXPERTS BELIEVE THAT THE MOST CRITICAL PROBLEM LIES IN THE SHORT-TERM COMMERCIAL DEBT THAT OVERHANDS ZAIRE'S BALANCE OF PAYMENTS WITH THE RESULT THAT BANKS WORLDWIDE WERE VERY RELUCTANT TO EXTEND CREDIT FOR THE GOZ'S CURRENT AND ESSENTIAL IMPORTS. THIS SHORT-TERM DEBT, I SAID, IS NOT HELD BY THE US IN ANY SIGNIFICANT DEGREE AND THUS WHILE WE WANT TO FIND A SOLUTION, WE DO NOT INTEND THAT OUR ASSISTANCE AND INFLUENCE BE USED TO PAY OFF EUROPEAN CREDITORS WITHOUT A SOLUTION OF THE BASIC PROBLEM AND AT OUR EXPENSE. OUR CONCLUSION IS THAT BILATERAL DEALS WITHOUT COORDINATION IS NOT THE BEST WAY. THE BEST WAY IS TO WORK WITH THE IMF, WHOSE IMPRIMATUR WOULD ASSURE THE INTERNATIONAL BANKS' COOPERATION. THEN, BILATERAL AID COULD BE MARSHALLED TO FILL THE REMAINING GAP.

4. I PRESSED HOME THE POINT THAT THE IMF WAS ZAIRE'S FRIEND AND HAD NO PRECONCEIVED OVERLY-ONEROUS CONDITIONS WHICH IT INTENDS TO IMPOSE. I SAID THAT I HAD ALREADY TALKED WITH FUND DEPUTY DIRECTOR DALE AND COLLEAGUES AND WAS COVINCED THAT WHILE THE DETAILS OF THE STAND-BY WOULD BE TOUGH, THEY WOULD NOT BE UNREASONABLE. THE IMF ROUTE, IN SUM, WOULD REQUIRE SOME REFORM AND HARD WORK, BUT, I CONCLUDED, WAS WORTH A TRY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KINSHA 06756 220156Z

5. MOBUTU, WHO HAD LISTENED INTENTLY THROUGH ALL OF THIS REPLIED: "D'ACCORD, WE'LL TRY IT. WORK OUT THE DETAILS WITH BISENGIMANA AFTER HE RETURNS ON WEDNESDAY MORNING. I'LL SEE TO IT THAT HE MEETS WITH YOU WEDNESDAY AFTERNOON."

6. I AM IMMENSELY ENCOURAGED BY MOBUTU'S RESPONSE IN THE LIGHT OF HIS RELUCTANCE HITHERTO TO TURN TO THE FUND. AND IT IS WORTH NOTING THAT MOBUTU CAME AROUND IN THE ABSENCE OF

ANY MENTION BY ME OF THE FIGURE WHICH WE ARE PREPARED TO PUT  
INTO THE PACKAGE OR WHETHER IT WAS WITH OR WITHOUT CONDITIONS.  
WE HAVE YET A WAYS TO GO BEFORE OUR PREFERRED SCENARIO IS  
FINALLY PINNED DOWN, BUT THE SIGNS ARE VERY GOOD.  
ANDREW

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, FINANCIAL STABILITY, DIPLOMATIC DISCUSSIONS, DEBT REPAYMENTS, GOVERNMENT DEBTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JUL 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KINSHA06756  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750252-0059  
**From:** KINSHASA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750734/aaaabemu.tel  
**Line Count:** 120  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 MAY 2003 by ShawDG>; APPROVED <22 MAY 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MOBUTU-VANCE: ECON/FINANCIAL HOLD FOR OOB JULY 22  
**TAGS:** EGEN, CG, US, (MOBUTU SESE SEKO)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006